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### MINUTES OF THE MEETING OF THE CITY COUNCIL

Wichita, Kansas, July 27, 1999 Tuesday, 8:04 A.M.

The Pledge of Allegiance was participated in by the City Council Members, staff, and guests.

The City Council met in regular session with Mayor Knight in the Chair. Council Members Cole, Gale, Lambke, Martz, Pisciotte, Rogers; present.

Chris Cherches, City Manager; Gary Rebenstorf, Director of Law; Pat Burnett, City Clerk; present.

Minutes -approved

The minutes of the regular meeting of July 20,1999, were approved 7 to 0.

### **NEW BUSINESS**

#### MCCORMICK IRB

# <u>PUBLIC HEARING AND ISSUANCE OF INDUSTRIAL REVENUE BONDS – MCCORMICK-ARMSTRONG CO., INC.</u> (District V)

Allen Bell

Financial Projects Director reviewed the Item.

Agenda Report No. 99-724.

On October 29, 1996, City Council approved a five-year Letter of Intent to issue Industrial Revenue Bonds to McCormick-Armstrong Co., Inc., located at 1501 E. Douglas in near-east Wichita, in an amount not-to-exceed \$11 million and a five-plus-five-year 100% tax exemption on bond-financed property.

On December 3, 1996, City Council approved the issuance of IRBs in the amount of \$2.46 million for the purpose of financing the acquisition of a printing press and supporting computer hardware and software. Currently, \$8.54 million remains available under authority of the October 29, 1996 Letter of Intent.

McCormick-Armstrong is among the largest commercial print product manufacturers in Kansas. McCormick utilizes state-of-the-art printing technology for the production of advertising, catalogs, short-run publications, calendars, and is privately owned by E. W. Armstrong and family. Under the proposed five-year project, McCormick plans to create 50 additional jobs.

McCormick is now requesting the issuance of \$2.3 million under the October 29, 1996 Letter of Intent. Bond proceeds will be used to finance the purchase, rehabilitation, and installation of certain manufacturing equipment at their existing Wichita facility. The bond-financed equipment will include a new state-of-the-art printing press and associated production equipment used in the process of manufacturing printed products.

The sources and uses of bond proceeds are as follows:

#### SOURCES OF FUNDS

1999 Bond Proceeds \$2,300,000 Total Sources \$2,300,000

#### USE OF BOND PROCEEDS

Heidelberg 705 Stitcher	\$447,220
Inkjet Mailing System	221,480
M110 Press	1,372,203
Gammerler Rotary Trimmer	97,500
Electronic Controls & Consol for M300 Press	100,000
Hurricane Waste Evacuation System	10,597

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Heidelberg Stacker30,000Inline Drill for Stitcher11,000Four Scissor Lifts10,000Machinery and Equipment\$2,300,000

Total Uses \$2,300,000

The firm of Hinkle Elkouri, L.L.C. will serve as bond counsel for the transaction. The Bonds will be purchased by GE Capital Public Finance, Inc. of Minneapolis, Minnesota. McCormick-Armstrong Co., Inc. currently has an approved Affirmitive Action Plan on file with the Office of Civil Rights and Services

McCormick-Armstrong Co., Inc. agrees to pay all costs of issuing the bonds and agrees to pay the City's \$2,500 annual IRB administrative fee for the term of the bonds. Under authority of the October 29, 1996 Letter of Intent, 100% property tax exemption will apply to property financed with the bond issue for a period of five-years plus an additional five-years, based on Council review.

Mayor Knight

Mayor Knight inquired whether anyone wished to be heard and no one appeared.

Motion --

-- carried

Knight moved that Allen Bell be designated as the Public Hearing Officer at 9:00 a.m. after which the public hearing be closed and Bond Ordinance be placed on first reading; the documents be approved; and the necessary signatures be authorized. Motion carried 7 to 0.

#### **ORDINANCE**

An Ordinance of the City of Wichita, Kansas, authorizing the issuance of \$2,300,000 aggregate principal amount of Industrial Revenue Bonds, Series VII, 1999 (McCormick-Armstrong Co., Incorporated) for the purpose of providing funds to purchase, acquire, rehabilitate and install certain machinery and equipment in an existing manufacturing facility; prescribing the form and authorizing execution of a trust indenture by and between the City and The Southwest National Bank of Wichita, as trustee; prescribing the form and authorizing the execution of a lease agreement by and between the City and McCormick-Armstrong Co., Incorporated; approving the form of a guaranty agreement; authorizing the execution of a bond purchase agreement by and between the City, McCormick-Armstrong Co., Incorporated and GE Capital Public Finance Inc., Minneapolis, Minnesota, as purchaser of the Bonds, introduced and under the rules laid over.

#### **KDOT**

#### PROJECT FUNDING REQUESTS TO KANSAS DEPARTMENT OF TRANSPORTATION.

Marvin Krout

Director of Planning reviewed the Item.

Agenda Report No. 99-725.

As a continuation of their local partnership program, the Kansas Department of Transportation (KDOT) is requesting project submittal for the KLINK Resurfacing, Geometric Improvement, and Economic Development projects. The KLINK project requests are for fiscal year 2002 (July 1, 2001 through June 30, 2002) and the Geometric and Economic Development projects are for fiscal year 2003 (July 1, 2002 through June 30, 2003).

The KLINK, Geometric and Economic Development projects were developed by the Public Works Department, Finance Department's Economic Development, and the Planning Department. Staff recommends that following projects:

Costs

#### KLINK Resurfacing

- Repair & resurface US 54 from west of Maize Road to 119th Street West
- 2) Repair deteriorated asphalt surface on K-15 from I-135 to the South City Limits
- Repair deteriorated concrete joint and slab areas on US 81 (47th Street South) between Broadway and I-135

Total \$ 455,000

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Geometric Improvements		Costs		
1)	K-15 highway from 31st Street South to I-135 northbound on-ramp		\$ 184,000	
Econom	nic Development		Costs	
1)	Reconstruct Learjet Way to a 4-lane roadway from Mid Continent Drive to Learjet		\$ 430,000	
2)	Construction of a 3-lane roadway along Woodchuck Drive from Irving to Learjet Way		\$ 612,500	
3)	Reconstruction and widening of Hillside Avenue from 21st Street to 17th Street	e	\$2,450,000	
4)	Widen Hoover Road along Cessna plant from K-42 to south of Pawnee		\$1,225,000	
KDOT	will participate in the cost of the approved projects	s as follows:		
KLINK	Resurfacing	KDOT%	KDOT Share	<u>City</u> <u>Share</u>
1)	Repair & resurface US 54 from west of Maize Road to 119th Street West			
2)	Repair deteriorated asphalt surface on K-15 from I-135 to the South City Limits			
3)	Repair deteriorated concrete joint and slab areas on US 81 (47th Street South) between Broadway			
	and I-135	50%	\$ 227,500	\$ 227,500
The City share for this program comes out of street maintenance funds in the operating budget.				
		KDOT%	KDOT Share	<u>City</u> <u>Share</u>
Geomet	ric Improvements			
1)	K-15 highway from 31st Street South to I-135 northbound on-ramp	75%	\$ 138,000	\$ 46,000
If this project is awarded by KDOT, some reprioritization of funds may be necessary to make the match. The City Share for this program would need to be programmed in the city's Capital Improvement Program in 2002.				
		KDOT%	KDOT Share	<u>City</u> <u>Share</u>

		<u>KDO1%</u>	Share	Share
Economic Development				
1)	Reconstruct Learjet Way to a 4-lane roadway from Mid Continent Drive to Learjet	75%	\$ 320,000	\$ 110,000
2)	Construction of a 3-lane roadway along Woodchuck Drive from Irving to Learjet Way	75%	\$ 455,000	\$ 157,500

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3)	Reconstruction and widening of Hillside Avenue from 21st Street to 17th Street	275%	\$1,837,500	\$ 612,500
4)	Widen Hoover Road along Cessna plant from K-42 to south of Pawnee	75%	\$ 918,750	\$ 306,250

If one or more of these projects are awarded by KDOT, some reprioritization of funds may be necessary to make the match. The City Share for these projects would need to be programmed in the city's Capital Improvement Program in 2003.

Mayor Knight

Mayor Knight inquired whether anyone wished to be heard and no one appeared.

Motion --

-- carried

Knight moved that the projects be approved and Staff be authorized to submit project requests to KDOT. Motion carried 7 to 0.

#### **BUDGETS**

#### 2000 ANNUAL OPERATING BUDGET AND REVISIONS TO THE 1999 BUDGET

Ray Trail

Finance Director reviewed the Item.

Agenda Report No. 99-726.

The City Council has received the City Manager's Proposed 2000/2001 Budget (including the Tax Increment Financing Districts). The Council is receiving public comment at its weekly Council meetings and will consider the budget at an upcoming retreat.

The proposed 2000 annual operating budget is \$301,235,830. Interfund transactions and appropriated fund balances increase this amount to \$364,996,201. The inclusion of expendable trust funds, as required by law, is an additional \$78,868,930 for a total of \$443,865,131. The budget would require a mill levy of 31.253 mills, no change from the levy for the current 1999 adopted budget.

The General Fund property tax levy is \$40,553,720 (including a delinquency allowance) at an estimated 21.251 mills. The levy for the Debt Service Fund is \$19,087,020 (including a delinquency allowance) and is estimated at 10.002 mills.

The dollar amounts, after they are set in the published notice of hearings on the proposed budget, cannot be exceeded, although the City Council may determine subsequently to reduce the mill rate. Formal hearing and adoption of the budget is scheduled for August 10. If subsequent actions result in an increase to the budget, a process of republication, hearings and certification will be required.

In addition to action on the 2000 Budget, it is requested that action be taken to amend the 1999 adopted budget – as contained in the proposed budget submitted to the City Council:

- 1. The Debt Service Fund (DSF) is increased \$8,339,080. Temporary note financing was increased to provide expenditure authority for several capital projects included in the adopted Capital Improvement Program (CIP) but not yet incorporated in the DSF.
- 2. The Convention and Tourism Fund is being amended \$697,380, increasing expenditures for Century II/Expo Hall renovations and retaining the flexibility to use expected revenue from the transient guest tax.
- 3. The Special Parks and Recreation Fund is increased \$159,700. This fund, required by law, provides an annual transfer from private club liquor tax receipts into the City's General Fund. Resources were greater than anticipated, allowing for a larger amount to be transferred.
- 4. The Storm Water Utility Fund is increased \$1,681,900 to finance major rehabilitation of pump station number one, to share in the expense of updating FEMA maps which identify the 100 year flood plain, to increase the reserve, and to allow transfers to the "hot spots" program and other capital projects.
- 5. The Golf Course Fund is amended by \$146,710 to absorb expenses from flood damages and to take advantage in the current year of favorable pricing for heavily used commodities.

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- 6. The Data Center Fund is amended \$734,940 adding an additional \$200,000 for the equipment replacement reserve to fund initiatives including: developing internet applications, implementing optical imaging, expanding GIS, extension of the network to remote sites, Y2K solutions, and transitioning to a uniform office automation environment.
- 7. The Telecommunications Fund is increased \$37,690 for capital outlay items related to the new phone system and to increase the contingency reserve.
- 8. The Self-Insurance Fund is increased \$544,570 to pay for increased health insurance costs resulting from higher utilization.

The notice of formal hearing will set the maximum dollars that may be expended in each fund. The City Council may subsequently reduce expenditures required (and proposed tax dollars to be levied) but not increase them.

As required by law, the proposed budget will be published with appropriated balances. State statutes require formal public hearings prior to approval of the annual operating budget and for budget amendments of published funds. The 2000 Budget must be adopted by the City Council on August 10, and will be filed with the County Clerk by the statutorial date of August 25.

Mayor Knight

Mayor Knight inquired whether anyone wished to be heard and no one appeared.

Motion --

-- carried

Knight moved that the public hearing on the proposed 2000 Budget (including the TIF Districts) and the revised 1999 Budget be set for August 10, 1999; the notices be approved; and the budget and TIF district ordinances be placed on first reading. Motion carried 7 to 0.

#### **ORDINANCE**

An Ordinance making and fixing general tax levy for the City of Wichita, Kansas, for the year beginning January 1, 2000, and ending December 31, 2000, and relating thereto, and concurrently approving certain amendments to the 1999 adopted budget, introduced and under the rules laid over.

#### **ORDINANCE**

An Ordinance making and filing an increment in ad valorem taxes for the Gilbert and Mosley site redevelopment district, City of Wichita, Kansas, for the fiscal year beginning January 1, 2000, and ending December 21, 2000, introduced and under the rules laid over.

#### **ORDINANCE**

An Ordinance making and filing an increment in ad valorem taxes for the North Industrial Corridor redevelopment district, City of Wichita, Kansas for the fiscal year beginning January 1, 2000, and ending December 31, 2000, introduced and under the rules laid over.

#### **CONSENT AGENDA**

Knight moved that the Consent Agenda, except Item 10b, be approved in accordance with the recommended action shown thereon. Motion carried 7 to 0.

#### LICENSE APPS. APPLICATIONS FOR LICENSES TO RETAIL CEREAL MALT BEVERAGES:

Renewal 1999 (Consumption off Premises)

Rick Brazile Wal-Mart Supercenter #1507 3030 North Rock Road Mark A. Boswell Midway Oil #11 895 South Woodlawn

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New Establishment 1999 (Consumption off Premises)

Mark A. Boswell Midway Oil #2 1201 East Lincoln

Motion – Knight moved that the licenses be approved subject to Staff review and approval. Motion carried

-- carried 7 to 0.

STREET CLOSURES CONSIDERATION OF STREET CLOSURES/USES.

There were no street closures considered.

FINANCIAL REPORT QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED JUNE 30, 1999.

Motion – carried Knight moved that the Report be received and filed. Motion carried 7 to 0.

COMPUTER/DATA CONTRACT FOR PERSONAL COMPUTER AND SOFTWARE TRAINING SERVICES.

Agenda Report No. 99-727.

The mass migration to the new office automation products has been completed. There is a continuing need to train system users on software applications. Those applications include windows, wood processing, spreadsheets, databases and presentation software. Training classes focusing on introduction to personal computers are also needed.

At the end of last year, three private companies and the Wichita Area Technical College were evaluated on the basis of their training cost per user and follow-up support. the Wichita Area Technical College proposal was approved by the Council in January. This will renew the contract until the end of the year. This contract will not exceed \$20,000.

Funding for training is included in the Data Center operating budget.

Motion – carried Knight moved that the Contract be approved and the necessary signatures be authorized. Motion carried 7 to 0.

COMPUTER/DATA COMPUTER PAYROLL SYSTEM UPGRADE SERVICES.

Agenda Report No. 99-728.

The City handles all payroll functions for its approximately 4,000 strong workforce (full time, part-time and seasonal) on a computer software platform provided by Cyborg System. a major upgrade of this software was initiated in 1998 and was expected to be completed in Mid-1999. The City Council has previously approved a contract with Warren & Associates for payroll system upgrade and to integrate the Fire payroll function into the City's overall (Cyborg) payroll system (Fire payroll is not Year 2000 compliant).

The City's efforts to complete the modifications to the payroll system have been delayed due to a vacancy in the computer systems analyst position for this computer application and due to time constraints and complexities in the software upgrade. It is recommended that the contract with Warren & Associates be extended to provide additional technical services to ensure the payroll system modifications are completed. Warren Associates is fully knowledgeable about the City's payroll system and requirements.

The additional fee for service is estimated at \$51,200. Funding for this contract is available from under expenditures within the 1999 General Fund.

Motion – carried Knight moved that the Contract be approved and the necessary signatures be authorized. Motion carried 7 to 0.

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## FUNDING ASSISTANCE SOCIETY OF DECORATIVE PAINTERS CONVENTION FUNDING ASSISTANCE.

Agenda Report No. 99-729.

The Society of Decorative Painters' annual meeting was held May 18-May 23, 1999, at the Century II/Expo Hall convention center. The Wichita CVB assisted with arrangements.

The Society of Decorative Painters' annual meeting attracted 3,500 national and international visitors to Wichita resulting in 7,200 room night. To facilitate their meetings at Century II/Expo Hall, buses and vans were required to transport participants to and from their hotel sites and the downtown area.

The total cost of the transportation package the CVB provided to the Society of Decorative Painters is \$15,802. These funds were used to offset busing and van expenses provided by several carriers during the convention and to pay stipends to volunteer transportation coordinators from the Daughters of Isabella, Beta Sigma Phi, and Melodears. Funds for reimbursement of the CVB are available in the Promotion Contingency allocation of the Tourism and Convention Fund, should the Council deem this an appropriate use of such funding.

Motion --

-- carried

Knight moved that funding from the Promotion Contingency allocation in the Tourism and Convention Fund in the amount of \$15,802 for expenses associated with the Society of Decorative Painters' annual meeting. be approved Motion carried 7 to 0.

#### **ORDINANCES**

## SECOND READING ORDINANCES: (FIRST READ JULY 20, 1999)

a. Amendment to Driving Under the Influence of Alcohol Charges.

### ORDINANCE NO. 44-303

An Ordinance amending Section 11.38.150 of the Code of the City of Wichita, Kansas, pertaining to driving under the influence of alcohol and/or drugs unlawful – penalty and repealing the original of said Section, read for the second time. Knight moved that the Ordinance be placed upon its passage and adopted. Motion carried 7 to 0. Yeas: Cole, Gale, Lambke, Martz, Pisciotte, Rogers, Knight.

b. Annexation of 98-16 – Oatville. (Districts IV and V)

Motion -- carried

Knight moved that the Ordinance be deferred 30 days. Motion carried 7 to 0.

c. Water and Sewer System Utility Revenue Bonds, Series 1999.

### ORDINANCE NO. 44-302

An Ordinance of the City of Wichita amending Ordinance No. 44-257 of the City which authorized the issuance of \$48,950,000 aggregate principal amount of its Water and Sewer Utility Revenue Bonds, Series 1999, to provide for the payment in full of the costs of obtaining the alternative credit facility with respect to such bonds, read for the second time. Knight moved that the Ordinance be placed upon its passage and adopted. Motion carried 7 to 0. Yeas: Cole, Gale, Lambke, Martz, Pisciotte, Rogers, Knight.

ADJOURNMENT

The City Council meeting adjourned at 8:11 a.m.

Pat Burnett CMC City Clerk